

September 17, 2020

Sarah Davis, Executive Director
Seneca County Industrial Development Agency
1 DiPronio Drive
Waterloo, NY 13165

RE: Canoga Road Solar, NY Fayette I, LLC

Dear Sarah,

Canoga Road Solar, aka NY Fayette I, LLC (the Project), has made an application for assistance to the Seneca County Industrial Development Agency for a Payment in Lieu of Tax (PILOT) agreement, to include Sales Tax and Mortgage Recording tax exemptions.

The Project will begin some partial construction activity in late September and early October of this year, prior to the PILOT being approved. This work is necessary to maintain the construction timeline needed to place the system into operational service with the connecting utility, New York State Energy and Gas (NYSEG) in early 2021, and begin the ability to produce saleable power. As such, the Project is requesting to draw from the sales tax exemption prior to inducement of the PILOT application, up to \$100,000 in value. If the PILOT is approved, the Project would then seek the benefit of the remainder of the sales tax exemption provided with the PILOT.

Thank you for your understanding of this request, and please let us know of any additional information that may be required.

Sincerely,

Daniel Compitello
Project Developer





**APPLICATION TO
SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FOR FINANCIAL ASSISTANCE**

I. APPLICATION INFORMATION

Company Name: NY Fayette I, LLC

Address: 140 E 45th Street, Suite 32B-1, New York, NY 10017

Telephone: 646-998-6457

Fax: 917-398-1384

Fed I.D. No.: 84-3083440

Contact Person: Daniel Compitello

Principal Owners/Officers/Directors:
(List owners with 15% or more in equity holdings with percentage ownership)

Owner:

Delaware River Solar, LLC (100%)

Officers:

Richard Winter, CEO

John Tartaglia, President

Peter Dolgos, Senior Vice President

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

NY Fayette I, LLC is an affiliate of Delaware River Solar, LLC (Please see Exhibit A)

Form of Entity:

Corporation

Partnership (General or Limited ; Number of General Partners _____ and,
if applicable, Number of Limited Partners _____).

Limited Liability Company/Partnership (number of members 1)

Sole Proprietorship

If a corporation, partnership, limited liability company/partnership:

What is the date of establishment? 9/18/2019

Place of organization: New York

and, if a foreign organization, is the Applicant authorized to do business in the State of New York?

Yes No

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APPLICANT'S COUNSEL:

Name: Richard Chun

Address: Law Office of Richard W. Chun, PLLC, 1225 Franklin Avenue, Suite 325, Garden City, NY 11530

Telephone: 646-998-6403

Fax: 917-591-9441

II. PROJECT INFORMATION

Project Address: 2497 Canoga Road, Fayette, NY 13148

Block(s) & Lot(s): 11-1-09.11

A) Are utilities on site? (Yes/No) The proposed leased area does not contain any utilities.

Water N Electric N Gas N Sanitary/Storm Sewer N

B) Present legal owner of the site: Charles and Rita Partee

If other than Applicant, by what means will the site be acquired for this project:

Applicant has an executed lease with the legal owner of the site

C) Zoning of project site: Current: Res 1 Proposed: Res 1

D) Are any variances needed? No

E) Statement describing project (e.g., land acquisition, construction of manufacturing facility, etc.):
The Project is a 4.99 MW AC community solar farm to be constructed on approximately 27 acres of open land.

Location of Project: 2497 Canoga Road, Fayette on a portion of Tax ID 11-1-09.11

Purpose of Project: The Project site will be leased to only NY Fayette I, LLC. The Project is approximately 5 MWac and will be interconnected to the existing NYSEG grid. This Project is a new build and will be comprised of a) racking to mount solar modules (such racking is generally pile driven into the ground), b) solar modules, c) inverters and transformers to sit on a concrete pad and d) assorted electrical components and wiring. The electricity generated from the solar farm will be sold to NYSEG customers that are part of the Applicant's Community Solar Program.

F) Principal use of project upon completion: The Project will produce power to be sold to NYSEG customers that have signed up with the Applicant's Community Solar Program.

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G) Estimated project costs, including

Value of property to be acquired:	\$0
Cost of construction/reconstruction (labor, construction legal fees & interest):	\$ 2,016,310
Value of equipment to be purchased:	\$ 5,417,204
Estimated cost of engineering/architectural services:	\$ 100,000
Other (customer acquisition, development, interconnection, permitting, inspection):	\$ 1,650,979
Total capital costs:	\$ 9,184,493
Project refinancing; estimated amount (for refinancing of existing debt only)	\$ 0
<i>Sources of Funds for Project Costs:</i>	
Bank financing:	\$ 4,342,667
Equity (excluding equity that is attributed to grants/tax credits)	\$ 4,325,697
Tax-exempt bond issuance (if applicable)	\$
Taxable bond issuance (if applicable)	\$
Public sources (include sum total of all state and federal grants and tax credits)	\$ 516,129
Identify each state and federal grant/credit:	
<u>NYSERDA NY-Sun Grant</u>	\$ 516,129
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total sources of funds for project costs: \$ 9,184,493	

The Agency will collect 1% origination fee on the total capital costs at the time of closing

H) Inter-Municipal Move Determination

Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another?

Yes or No

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area?

Yes or No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York?

Yes or No

If Yes to any of the questions above, explain how, notwithstanding the aforementioned closing or activity reduction, the agency's financial assistance is required to prevent the project from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry:

FINANCIAL ASSISTANCE BEING REQUESTED

A) Benefits Requested

Sales and Use Tax Exemption (8%)

IRB

Mortgage Recording Tax Exemption ([]%) Real

Property Exemption and Tax Agreement

B.) Value of Incentives

Real Property Tax Exemption and Tax Agreement: Agency staff will calculate the estimated value of a requested real property tax exemption and tax agreement based on estimated project costs as contained herein and current tax rates and assessed valuation, and the annual tax agreement payment amounts for each year of the tax agreement. This calculation is set forth on the addendum to this Application entitled "Real Property Tax Benefits (Detailed)," which addendum is incorporated herein by reference.

Estimated duration of real property tax exemption: 30 years

Sales and Use Tax:

Estimated value of sales tax exemption for facility construction: \$ 43,436

Estimated sales tax exemption for fixtures and equipment: \$ 433,376

Estimated duration of sales tax exemption: Two Years from approving resolution

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Mortgage Recording Tax Exemption Benefit:

Estimated value of mortgage recording tax exemption: \$ 43,427

IRB Benefit:

IRB inducement amount, if requested: \$ not applicable

Is a purchaser for the bonds in place? Not applicable

Yes or No

Percentage of project costs financed from public sector sources:

Agency staff will calculate the percentage of project costs financed from public sector sources based upon sources of funds for project costs as depicted above under the heading "Estimated Project Costs" (Section II(G)) of the Application.

C.) Likelihood of Undertaking Project Without Receiving Financial Assistance

Is there is likelihood that the project would not be undertaken but for the financial assistance provided by the agency?

Yes or No

If the project could be undertaken without financial assistance provided by the agency, then provide a statement in the space provided below indicating why the project should be undertaken by the agency:

The Project would not be forward without the Agencies financial assistance.

III. EMPLOYMENT PLAN

NY Fayette I, LLC (Applicant) has no employees and is the Project Owner. The Project is monitored remotely and there are no daily on-site personnel required. Maintenance will occur semi-annually / annually and will consist of (a) cleaning the panels (no chemicals) and (b) equipment servicing/replacement. Landscaping maintenance will occur as needed. Jobs created during the 30 year operational phase will generally be on a contract basis.

	1	2	3	4
	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED	Estimate number of residents of the Labor Market Area** who will fill the jobs described in Column 3
Full Time			Within 1 year following project completion: ___ Within 2 years following project completion: ___ Within 3 years following project completion: ___	
Part Time (expressed as FTEs)			Within 1 year following project completion: ___ Within 2 years following project completion: ___ Within 3 years following project completion: ___	
Total	0	0	0	0

** The Labor Market Area is defined as Seneca County, Ontario County, Wayne County, Cayuga County, Schuyler County and Tompkins County, New York.

Salary and Fringe Benefits for Jobs to be Retained and/or Created:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management		
Professional		
Administrative		
Production		
Independent Contractor		
Other (not including construction jobs)		

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IV. REPRESENTATIONS AND COVENANTS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A) **Job Listings:** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entities") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the Project is located.
- B) **First Consideration for Employment:** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) **Annual Sales Tax Filings:** In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) **Annual Employment Reports:** The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- E) **Compliance with N.Y. GML Sec. 862(1):** Applicant certifies that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

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- F) **Compliance with Applicable Laws:** The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- G) **False and Misleading Information:** The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- H) **Recapture:** Should the Applicant not expend or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.
- E) **Absence of Conflicts of Interest:** The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Applicant, except as hereinafter described:

STATE OF NEW YORK)
 COUNTY OF New York) ss.:

, being first duly sworn, deposes and says:

1. That I am the Senior Vice President (Corporate Office) of NY Fayette I, LLC (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

Peter Dodger
 (Signature of Officer)

Subscribed and affirmed to me under penalties of perjury this
 10 day of September, 2020

Juliana C. Marques
 (Notary Public)

JULIANA C. MARQUES
 Notary Public, State of New York
 No. 01MA8338149
 Qualified in New York County
 Commission Expires March 7, 2024

This Application should be submitted with a \$350.00 Application fee to Seneca County Industrial Development Agency, One DiPronio Drive, Waterloo, New York 13165-1681 (Attn.: Robert J. Aronson, Executive Director).

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**SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
UNIFORM PROJECT EVALUATION POLICY**

Pursuant to and in accordance with Section 859-a(5) of the General Municipal Law ("GML"), the Seneca County Industrial Development Agency (the "Agency") hereby establishes a Uniform Project Evaluation Policy for the evaluation and selection for all qualifying categories of projects for which the Agency may provide "Financial Assistance" (as defined herein). "Financial Assistance" shall include any of the following: (i) the issuance by the Agency of tax- exempt bonds; (ii) sales and use tax exemption; (iii) mortgage recording tax exemption; and (iv) real property tax exemption (with or without a related agreement for payments in lieu of taxes).

For each Application for Financial Assistance received by the Agency, the following must occur prior to authorizing the provision of Financial Assistance:

- 1) The Agency shall undertake an assessment of all material information included in connection with the Application for Financial Assistance as necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for a project. Such information may include, without limitation, qualification of the proposed project under the GML (including any retail analysis, as applicable), the applicant's financial history, project pro-formas, and consideration of local development priorities.
- 2) A written cost-benefit analysis shall be utilized by the Agency that identifies the extent to which a project will create or retain permanent, private sector jobs, the estimated value of any tax exemptions to be provided; the amount of private sector investment generated or likely to be generated by the proposed project; the likelihood of accomplishing the proposed project in a timely fashion; and the extent to which the proposed project will provide additional sources of revenue for municipalities and school districts; and any other public benefits that might occur as a result of the project, taking into account the economic condition of the area at the time of the application, the effect of the proposed project upon the environment and surrounding property, and the extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
- 3) The Agency's Application for Financial Assistance shall include a statement by the applicant that the project, as of the date of the application, is in substantial compliance with all provisions of GML Article 18-A, including, but not limited to, the provisions of GML Section 859-a(5) and 862(1); and
- 4) If the proposed project involves the removal or abandonment of a facility or plant within the State of New York, the Agency shall notify the chief executive officer or officers of the municipality or municipalities in which the facility or plant was located of the Agency's receipt of an application for Financial Assistance.

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**SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PROJECT REVIEW AND RECAPTURE POLICY**

The Seneca County Industrial Development Agency (the "IDA") reserves the right to review the performance of projects for which the IDA's financial assistance has been granted (a "Project") to determine if a Project has met the obligations and conditions set forth in the IDA approvals and agreements related to the Project (the "Project Documents"). The terms and conditions of the Project Documents (the "Material Factors") will serve as the benchmark for determining a Project's compliance.

Material Factors should be explicit and measurable and may include items such as investment, job creation, retention or other factors as determined by the board. Material Factors may vary from Project to Project.

Non-Compliance Review Process:

If a Project is found to be non-compliant with the Material Factors, the IDA shall undertake the following:

1. The IDA shall notify the Project owner/operator (the "Company") in writing that, in the IDA's determination, the Company has violated a Material Factor.
2. The Company shall be given an opportunity to remedy the violation.
3. If the Company is unable or unwilling to remedy the violation, the IDA shall seek additional information/explanation from the company as to why a Material Factor was not achieved. These may include economic or natural factors that led to the violation. These factors should be discussed and predetermined to the extent possible by the Board and may include items such as, natural disaster, industry dynamics, unfair competition or economic events that were outside the control of the Company.
4. The Company shall be provided the opportunity to present to the IDA any information as outlined above regarding why the Material Factor was not achieved.

Board Actions:

Following completion of the Non-Compliance Review Process described above, the IDA Board will consider whether to keep benefits in place, reduce, terminate, and/or recapture financial assistance. The following options will be reviewed and considered by the IDA Board:

1. Upon a review of the facts the Board may determine that the non-compliance was justified and/or adequately explained and may consider the matter closed without further action, or set a specific time period for the Company to achieve compliance. This may also be accompanied by a period of increased reporting or such other conditions as the IDA Board may reasonably impose. (e.g., review violated Material Factor(s) quarterly until remedied.)
2. In the event of non-compliance with a Material Factor that is not, in the IDA Board's determination, justified by factors outside the Company's control and/or otherwise adequately explained, the IDA Board may determine that such non-compliance will

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result in the reduction, suspension, termination and/or recapture of financial assistance, as provided below.

Reduction of Financial Assistance: The IDA Board may determine that a reduction in financial assistance is appropriate, which reduction may include, without limitation, increased required payments under an agreement for payments in lieu of taxes.

Termination of Financial Assistance: The IDA Board may elect to terminate any ongoing financial assistance to a Company. Reasons for termination should be explicit and may include, without limitation, continued violation of the Material Factors or failure to comply with ongoing reporting or compliance requirements of the IDA.

Recapture of Financial Assistance: An IDA Board may require that all or part of the financial assistance for a Project be returned, including all or part of the amount of any tax exemptions. Events justifying recapture may include, without limitation, a Company knowingly providing false information on an application or a compliance/monitoring report; a finding that the Company did not make a good faith effort or have any intention of meeting a Material Factor; a company ceases operations and/or relocates; material non-compliance with state and/or local laws or regulations; and material shortfalls in job creation and retention projections.

In the event an IDA is successful in recapturing financial assistance, such funds shall be returned to the appropriate affected taxing jurisdictions on a pro rata basis unless otherwise agreed upon by the local taxing jurisdiction.

Annual Review

The IDA shall annually assess the progress of each Project for which bonds or notes remain outstanding or straight-lease transactions have not been terminated, or which continue to receive financial assistance or are otherwise active, toward achieving the investment, job retention or creation, or other objectives of the Project indicated in the Project applications. Such assessments shall be provided to the IDA Board.

ADDENDUM TO IDA APPLICATION FOR FINANCIAL ASSISTANCE

Cost Benefit Analysis:

To be completed/calculated by AGENCY

	Costs = Financial Assistance	Benefits = Economic Development
*Estimated Sales Tax Exemption	\$ 476,812	New Jobs Created Permanent 0 Temporary
		Existing Jobs Retained Permanent 0 Temporary
Estimated Mortgage Tax Exemption	\$ 32,570	Expected Yearly Payroll \$ N/A
Estimated Property Tax Abatement	\$ 1,936,382	Expected Gross Receipts \$
		Additional Revenues to School Districts _____ _____ _____
		Additional Revenues to Municipalities _____ _____ _____
		Other Benefits
Estimated Interest Savings IRB Issue	\$	Private Funds invested \$ 9,184,493
		Likelihood of accomplishing proposed project within three (3) years <input checked="" type="checkbox"/> Likely or <input type="checkbox"/> Unlikely

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture" on Page 9).

\$

(to be used on the NYSST-60)

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ADDENDUM TO IDA APPLICATION FOR FINANCIAL ASSISTANCE
Real Property Tax Benefits (Detailed):

** This section of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

Tax Agreement Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property *	County Tax Rate/1,000	Local Tax Rate (Town/City/Village)/1,000	School Tax Rate/1,000
9,184,493	5,002,655	4.42	2.55	24.02

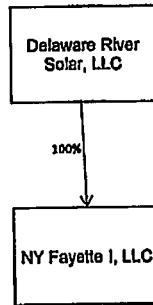
*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1		3,209	1,851	17,439	22,500	156,032	132,532
2		3,273	1,888	17,788	22,950	155,032	138,082
3		3,339	1,926	18,144	23,409	155,032	131,623
4		3,406	1,965	18,507	23,877	155,032	131,155
5		3,474	2,004	18,887	24,355	155,032	130,678
6		3,543	2,044	19,255	24,842	155,032	130,190
7		3,614	2,085	19,640	25,339	155,032	129,694
8		3,686	2,127	20,032	25,845	155,032	129,187
9		3,760	2,169	20,433	26,362	155,032	128,670
10		3,835	2,213	20,842	26,889	155,032	128,143
11		3,912	2,257	21,259	27,427	155,032	127,605
12		3,990	2,302	21,684	27,976	155,032	127,056
13		4,070	2,348	22,117	28,535	155,032	126,497
14		4,151	2,395	22,560	29,106	155,032	125,928
15		4,234	2,443	23,011	29,688	155,032	125,344
16							
17							
18							
19							
20							
TOTAL	0	55,496	32,017	301,688	389,102	2,326,480	1,936,382

*Estimates provided are based on current property tax rates and assessment values

**EXHIBIT A
CORPORATE STRUCTURE**

CONFIDENTIAL
As of September 10, 2020



August 20, 2020

VIA FEDERAL EXPRESS

Robert J. Aronson
Executive Director
Seneca County Industrial Development Agency
One DiPronio Drive
Waterloo, NY 13165

Re: NY Fayette, LLC ("Applicant") - IDA Application


Dear Mr. Aronson:

In connection with the above-referenced matter, please find the following enclosed:

- (i) Original of the Seneca County Industrial Development Agency Application for Financial Assistance (the "Application"); and
- (ii) Check No. 1003 in the amount of three hundred fifty and 00/100 dollars (\$350.00) to cover the Application fee.

Please feel free to contact me if you have any questions. Thank you.

Yours very truly,


Juliana Cavalcanti
juliana@delawareriversolar.com

Enclosures

RECEIVED
SEP 11 2020
BY: _____